

Direct Medical Services Cost Report Instructions Virginia Department of Medical Assistance Services (DMAS)

Medicaid and FAMIS cover the following services provided by school division providers.

- Speech Language Pathology
- Occupational Therapy
- Physical Therapy
- Nursing
- Psychology
- Audiology
- Medical Evaluation
- Personal Care

Final reimbursement for these services is determined by the IEP Related School Based Direct Services Cost Report. DMAS pays the federal share of the certified costs for these services. If school divisions do not complete a cost report, they will be responsible to refund any interim payments.

Claims

Submit all claims for dates of service in the fiscal year within three months of the end of the fiscal year.

Documentation

All Medicaid covered services provided to Medicaid or FAMIS recipients by qualified Medicaid practitioners whose costs are included on this cost report must be documented as required by Medicaid.

Cost Collection

Accrue costs for the school year in the manner approved for the DOE annual school report.

The DMAS contractor will provide quarterly personnel cost reports for medical services employees and contractors based on time study

information. This will include salary and benefit information or contracted payments. For the cost report, include only Medicaid qualified practitioners, other personnel working under the direction of Medicaid qualified practitioners and clerical personnel responsible for medical billing. Track funding sources for personnel because only state and local funding is carried forward as a potentially reimbursable cost. Track separately state and local funds that are a required match for a federal grant because these funds are not eligible for reimbursement. Exclude any personnel that are funded 100% by federal dollars. A school division must exclude any personnel for whom the school division does not seek reimbursement. For example, if the physical therapists do not complete Medicaid required documentation for services, exclude the costs.

Collect non-personnel cost information incurred during the fiscal year for materials and supplies, employee travel expenses and capital. These costs should be consistent with OMB Circular A-87 and should only include costs that are 100% attributable to direct medical services. Exclude any costs that are part of the unrestricted indirect cost rate. Exclude any portion of the costs funded by federal grants or are a required state or local match on federal grants.

Materials and supplies are allowable if used exclusively for the delivery of health care services. Please consult the Appendix A for the list of materials and supplies that may qualify. Only materials and supplies used in Medicaid covered services for which the school division is including personnel costs can be included.

Employee travel expenses are allowable for costs incurred by the school division for staff travel to deliver health care services. School divisions must maintain a mileage log that clearly identifies mileage associated with the delivery of health care services and other uses by personnel whose cost are included in the cost report. School divisions may calculate the cost by using the IRS mileage rate in effect at the time or by prorating the cost of operating the vehicle based on mileage.

Capital costs are allowable if used exclusively for the delivery of health care services. Capital costs should be depreciated if the value is over \$5,000 and the estimated useful life is over two years. School divisions must use the depreciation schedule (Section 5A) to record all capital items and send in

copies of the purchase invoice. Maintain copies of the original purchase invoice. School division providers should use a straight line method of depreciation. Only capital equipment used in Medicaid covered services for which the school division is including personnel costs can be included.

The school division may elect not to submit non-personnel cost information.

Eligibility Percentages

School Divisions will count the number of students with IEPs on December 1 who are eligible for Medicaid, Medicaid expansion or FAMIS at the same time as the child count of special education students and calculate a Medicaid, Medicaid expansion and FAMIS eligibility percent. The denominator is the number of students with IEPs, regardless of parental consent, at the time of the December 1 child count. The numerator for the different percentages is the number of students with IEPs who are eligible for Medicaid, Medicaid expansion or FAMIS, regardless of parental consent, at the same time as the December 1 child count.

THIS IS A CRUCIAL FACTOR THOUGHOUT THE COST REPORT AS IT WILL DETERMINE WHAT PERCENT OF YOUR TOTAL PERSONNEL AND MATERIAL/CAPITAL COSTS ARE ACCEPTABLE FOR MEDICAID REIMBURSEMENT

The medical records of all those Medicaid or FAMIS students included in the numerator of the eligibility percentages are subject to audit. School divisions must exclude from the numerator any Medicaid or FAMIS recipients for whom they do not seek reimbursement.

Eligibility Reports

DMAS will provide school divisions a quarterly eligibility report of all Medicaid or FAMIS recipients age 3 thru 22 living in the school division geographical area. School divisions will have to sign a Business Associate Agreement to receive these reports.

The reports will be based on eligibility on September 1, December 1, March 1 and June 1. The reports will have the following information:

Name
Medicaid ID
Social Security number
Address
Birthdates
Gender
Program (Medicaid, Medicaid expansion or FAMIS)
Parental Consent (Yes or No)
MCO assigned

School divisions will use the December 1 report to match to students identified on the December 1 child count as receiving special education. School divisions may verify eligibility of students who are not on the eligibility report by alternative means. If a school division does not sign a Business Associate Agreement in order to receive an eligibility report, it must verify eligibility for all Medicaid, Medicaid expansion and FAMIS students with IEPs included in the numerator by alternative means on December 1 to be eligible for Medicaid reimbursement for services.

Parental consent to bill Medicaid or FAMIS for services is required under the Federal Educational Rights and Privacy Act (FERPA). A consent statement is included on all Medicaid and FAMIS applications. The eligibility report will indicate if a parent has signed the Medicaid application giving parental consent to bill. For students whose parent did not sign the Medicaid application, the school may still obtain parental consent directly.

Time Study

School divisions who want reimbursement for the costs of the services specified above must participate in the time study during the October-December, January-March and April-June quarters. All staff involved in the delivery of direct medical services must participate quarterly in the time study. This includes staff from contracted agencies as well as staff who do not conduct allowable Medicaid administrative activities. Medical service employees and contractors will be in a separate time study pool. See the time study manual for more information.

Note that school divisions are only required to participate in the time study to receive reimbursement for direct medical services; they are not required to claim costs for Medicaid administrative activities. If school districts also choose to participate in administrative claiming, the time study may result in reimbursable costs for direct medical services only, reimbursable costs for administrative activities only or reimbursable costs for both.

DMAS will send reports to each school division by August 15 following the end of the fiscal year with statewide quarterly time study statistics.

Distribution of Cost Reports by DMAS

Clifton Gunderson, the DMAS cost settlement contractor, will send an email reminder with the link to the cost report forms to school divisions by September 30 each year. The cost reports may also be downloaded from the State Department of Education Website at:
http://www.doe.virginia.gov/support/health_medical/medicaid/index.shtml

Filing Deadline and Certification

School divisions will submit cost reports within five months of the close of the fiscal year (November 30) to

Clifton Gunderson
4461 Cox Road, Suite 210
Glen Allen, VA 23060

The school division superintendent or his authorized designee will certify costs annually using the cost report forms sent by DMAS to each school division. School divisions should submit one paper copy with the signed certification and a disc with the Excel cost report. School divisions should submit additional documentation of costs as needed.

Cost Settlement and Payment Reconciliation

DMAS will settle cost reports within six months of the date the cost report is received by Clifton Gunderson.

If the payment reconciliation indicates that costs are in excess of interim payments, DMAS will pay the difference in the next remittance. If payment reconciliation indicates that interim payments exceed costs, DMAS will recoup the overpayment in one of the following methods (pending CMS approval):

1. Offset all future claim payments from the school division provider until the amount of the overpayment is recovered.
2. Recoup an agreed upon percentage of the overpayment within one year; or
3. Recoup an agreed upon dollar amount from future claim payments to ensure recovery of the overpayment within one year.

The school division can also choose to make a direct payment.

Interim Payments

DMAS will make interim payments during the school year based on claims submitted and approved for payment. DMAS will work with school divisions to recommend an appropriate interim rate for claims paid during the first two years. School divisions may elect to receive reduced interim payments by submitting charges for services below the interim rate. This will not affect final reimbursement. After the first two years, DMAS will provide school divisions an interim rate calculation at each settlement. The school division should not bill in excess of the interim rate calculation.

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Virginia Department of Medical Assistance Services (DMAS)

ONLY ENTER DATA IN BLUE HIGHLIGHTED CELLS. Non-Highlighted cells contain automatic formulas and are locked from user access.

Section 1 – School Division General Information

Informational data will be used throughout the cost report where needed. Once this information is entered here the spreadsheet will auto populate the remaining cells where this same information is needed.

Col. B, Ln. 8 – Enter Name of Superintendent

Col. B, Ln. 9 – Enter Name of Finance Director

Col. B, Ln. 10 – Enter Phone Number of Finance Director

Col. B, Ln. 11 – Enter Email Address of Finance Director

Col. B, Ln. 12 – Enter Address

Col. B, Ln. 13 – Enter Address Line 2

Col. B, Ln. 14 – Enter City, State and Zip

School divisions should enter the Unrestricted Indirect Cost Rate provided by the Department of Education for the applicable fiscal year.

The IEP Direct Medical Services Time % and the IEP Time as a % of Direct Medical Services Time will be calculated from Section 2 for each quarter.

NOTE: Percentages in this section are rounded to two decimal places.

Section 2 – Time Study Percentages

The information on this page will be supplied by DMAS based on reports prepared by its Time Study contractor. School divisions will be sent preliminary reports for each quarter for validation prior to receiving the cost report.

Section 3 – Annual Salary and Benefits

School divisions must complete Section 3 for each quarter of the school year (quarter ending Sept 30, Dec. 31, March 31, June 30). The information will be supplied by DMAS based on reports prepared by its Time Study contractor. **Insert rows in the blue highlighted areas to accommodate all the personnel you wish to include. The instructions on how to add or delete rows will be on the cost report form. Keep job categories together in the appropriate sections.** Note that the Electronic Cost Report Template has separate tabs on the bottom for each quarter:

Section 3 A: Quarter ending September 30.
 Section 3 B: Quarter ending December 31
 Section 3 C: Quarter ending March 31
 Section 3 D: Quarter Ending June 30
 Section 3 E: Summary of Four Quarters

Information should be entered for each employee or contractor who provides direct services to students. Exclude any personnel that are funded 100% by federal dollars, who do not meet the Medicaid provider qualifications unless providing assistance to qualified personnel or for whom the school division does not wish to claim reimbursement. The following job titles correspond to the following services

<i>Direct Service Category</i>	<i>Job Titles</i>
Speech Language Pathology	Speech Therapist Speech Asst./Aide
Occupational Therapy	Occupational Therapist Occupational Therapist Aide
Physical Therapy	Physical Therapist Physical Therapist Aide
Nursing	RN LPN Nurse Aide
Psychology	Psychologist Psychiatrist Social Worker
Audiology	Audiologist
Medical Evaluation	Physician Nurse Practitioner

Personal Care	School Health Assistant
Billing Personnel	Administrative Personnel

A. Personnel Information

Col. B – Enter employee’s social security number or contractor’s EIN

Col. C – Enter employee’s last name

Col. D – Enter employee’s first name

Col. E – Enter employee’s job title

Col. F – Enter an “E” for employee or “C” for contractor

B. Funding and Percentages (Round to a whole percent)

Col. G – Enter the percentage of employee’s salary that is funded by state/local funds. Exclude any state/local funds that are a required match for federal grants. Enter a percentage for these funds in Column K for other funding sources.

Col. H – Enter the percentage of employee’s salary that is funded by IDEA funds.

Col. I – Enter the percentage of employee’s salary that is funded by other federal funds.

Col. J-K – If an employee’s salary is funded by any other source, enter funding source in Col. J and percentage in Col. K. Use this column for state/local funds that are a required match for federal grants.

Col. L – Is the sum of columns G, H, I and K. It will be calculated automatically. NOTE: Col. L should equal 100% for each employee even if it is a part-time employee or contractor.

C. Annual Salary and Benefits (Round to the nearest dollar)

Col. M – Enter amount of salaries paid for each employee.

Col. N – Enter amount of employer retirement contribution for each employee.

Col. O – Enter amount of employer paid group health insurance for each employee.

Col. P – Enter amount of employer paid dental insurance for each employee.

Col. Q – Enter amount of employer paid Medicare tax for each employee.

Col. R – Enter amount of employer paid Social Security tax for each employee.
Col. S – Enter amount of other benefits.
Col. T – Enter amount paid to each contractor annually.
Col. U – Sum of columns M – T. It will be calculated automatically.
Col. V – Col. G times Col. U. It will be calculated automatically. Only costs from this column can be claimed for reimbursement.

Section 4 – Personnel Costs

This section automatically calculates Medicaid, Medicaid expansion and FAMIS personnel costs for each service. No input is required.

Section 5 – Non-Personnel Costs

Enter non-personnel direct service costs in column B. The costs may only include items that are used exclusively for direct medical care. Costs exceeding - Costs must be depreciated if the value is over \$5,000 and the estimated useful life is at least 2 years. (enter these costs into the “Capital Costs” worksheet.)- Only the straight line method of depreciation will be accepted. - For each item listed, a legible copy of the purchase invoice must be included with the cost report.

All other fields will be calculated automatically to determine Medicaid, Medicaid expansion and FAMIS non-personnel costs associated with direct medical services. Please sign and date where indicated. This affirms that all information is correct.

Section 6 – Reconciliation

This section automatically calculates the federal financial participation in Col. G, which is the final reimbursement for the school division. **DMAS will provide the school divisions with the amount of interim payment accrued for the year.** School divisions will place this information in Col. H and the amount due the school division (DMAS) will be calculated automatically in Col. I.

Section 7 – Certified Public Expenditure (CPE)

This form certifies all of the school division's expenditures for IEP Related School Based Services. The Certification of Public Expenditure is necessary so that the State may claim matching funds or federal financial participation (FFP) from the federal government. Financial data and information are automatically filled in. Please sign. Return with your completed cost report according to instructions.

Appendix A Medicaid Financing and Reimbursement Materials and Supplies List

Therapy Services

Vision testing machine, such as Titmus
Audiometer (calibrated annually), tympanometer
Software for clinical evaluation and instructional software; assistive technology software
Current standardized tests and protocols;
Materials for nonstandard, informal assessment;
Clinical and instructional materials and supplies;
Positioning equipment (e.g., wedges, bolsters, standers, adapted seating, exercise mats)
Self-help devices (e.g., spoons, zipper pulls, reachers)
Mobility equipment (e.g., walkers, wheelchairs, scooters)
Supplies for adapting materials and equipment (e.g., strapping, Velcro, foam, splinting supplies)
Technology devices (e.g., switches, computers, word processors) if 100% allocated for medical care

Adaptive classroom tools (e.g., pencil grips, slant boards, self-opening scissors)
Evaluation tools (e.g., goniometers, dynamometers, cameras)
Sound-treated test booth
Clinical audiometer with sound field capabilities
Portable acoustic immittance meter
Portable audiometer

Electroacoustic hearing aid analyzer
Otoscope
Sound-level meter
Visual reinforcement audiometry equipment and other instruments
 necessary for assessing young or difficult-to-test children
Ear mold impression materials
Test materials for screening speech and language, evaluating
 speechreading and evaluating auditory skills
Test materials for central auditory processing assessment
Loaner or demonstration hearing aids
FM amplification systems or other assistive listening devices
Visual aids for in-service training
Battery testers, hearing aid stethoscopes, and earmold cleaning materials
Auditory, speechreading, speech-language, and communication
 instructional materials

Nursing Services

First-aid station
Sharps container for disposal of hazardous medical waste.
Otoscope/ophthalmoscope with battery
Physician's scale that has a height rod and is balanced
Portable crisis kit
Portable first-aid kit
Reflex hammer
Sphygmomanometer (calibrated annually) and appropriate cuff sizes
Stethoscope
Scoliometer
Blood Glucose Meter
Peak Flow Meters
Nebulizers
Scales
BMI Calculator
IPEAC
Glucose Gel
Eye Wash Bottle
Disposable Suction Unit
Electronic Suction Unit
Tape measure

Vision testing machine, such as Titmus
Wall-mounted height measuring tool
Wheelchair
Bandages, including adhesive (e.g., Band-Aids) and elastic, of various
Types and materials
Basins (emesis, wash)
Cold packs
Cotton-tip applicators (swabs)
Cotton balls
CPR masks
Dental floss
Disinfectant
Disposable gowns
Eye irrigating bottle
Eye pads
Eye wash solution
Fingernail clippers
Latex gloves
Magnifying glass
Masks
Record forms (e.g., emergency cards, logs, medical sheets, accident
reports, state forms)
Ring cutter
Safety pins
Salt
Sanitary pads, individually wrapped (may be used for compression)
Scissors (blunt end)
Slings
(must be in a dispenser)
Splints (assorted)
Surgi-pads
Tape (different widths and hypo-allergenic)
Tissues
Thermometer (disposable) or other mechanism for measuring
temperature
Tongue depressors
Triangular bandage
Tweezers
Vinyl gloves (for latex allergies)

Washcloths (disposable)
Clinical and instructional materials and supplies;
Disposable gloves (latex-free)
Medicine cabinet (with lock)
Refrigerator for medicine
Folding screen or draperies to provide privacy in the clinic
Glasses Repair Kit

Note: Any item with a cost in excess of \$5,000 and a useful life of at least two years will be treated as a capital expense.

Sources:

http://www.doe.virginia.gov/support/health_medical/medicaid/index.shtml

<http://www.dmas.virginia.gov/pr-sbs.htm>

ASHA Desk Reference, v2

National Association of School Nurses

CMS 2/1/07